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C O N F I D E N T I A L LA PAZ 000694

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TAGS: [ECON](#) [PGOV](#) [PREL](#) [ASEC](#) [EAID](#) [BL](#)
SUBJECT: BOLIVIA: EVO AND AUTONOMY, NEXT STEPS

REF: A. LA PAZ 693
[1](#)B. LA PAZ 677

Classified By: EcoPol Chief Mike Hammer for reasons 1.4 b,d

[1](#)1. (C) Summary: Although isolated incidents of violence are already occurring and will continue up to the scheduled May 4 Santa Cruz autonomy referendum, we do not expect the ruling Movement Toward Socialism (MAS) party to take military or police action against the opposition departments (states) Santa Cruz, Tarija, Beni, and Pando. Ref A laid out what we anticipate for the run-up to the May 4 referendum. During the referendum, we expect that President Evo Morales' MAS party will use its social-sector supporters to provoke violence in an attempt to get international media coverage that projects a "violent, extremist, illegitimate separatist" Santa Cruz. The central government has already said it will not provide police protection for what it considers an illegal referendum, leaving the Santa Cruz government with only its own social groups (including the radical Santa Cruz Youth) to provide security for the referendum. In such a situation, the MAS should have no difficulty provoking confrontations. After the referendum, the government could arrest opposition leaders for seditious acts; it is also possible but less likely that the government might arrest leaders before the referendum. In Santa Cruz and other opposition departments, once autonomy is declared we expect a period of regional exaltation before fiscal difficulties hit. Although opposition leaders tell us that they will not withhold taxes (so as not to provoke the central government) at some point we expect that the newly autonomous departments will have to take steps to begin solidifying their power, and these steps could provoke a reaction from the central government. End summary.

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Autonomy and Accusations Certain
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[1](#)2. (C) All indications are that the Santa Cruz referendum will take place on May 4th, regardless of other developments. Since the central government has declared it will not

provide police protection for the event (and since there are no departmental or local police forces in Bolivia,) the opposition-led Santa Cruz government will provide crowd control for the referendum polling using its civic groups. One social group in particular, the Santa Cruz Youth Union, has a reputation for racism and violence. Even without having to import Altiplano MAS-aligned social groups, the MAS will easily be able to provoke clashes using local MAS supporters (often indigenous) from the countryside, and in fact Santa Cruz MAS-aligned groups are already promising protests and road blockages. We expect that the MAS will extensively publicize any incidents of violence, and images of white autonomy supporters fighting with indigenous MAS supporters will resonate strongly through the MAS support base in the indigenous highlands. The MAS will declare the vote invalid because of (possibly MAS-manufactured) voter interference. The MAS will use these accusations in an attempt to prompt international criticism of the autonomy-seeking departments and may use incidents of violence as a further excuse to crack down on opposition leaders. We do not expect the government to send in the military, in part because the military is not likely to obey an order to crack down on the opposition departments.

13. (C) Even if the government could somehow interfere and actually stop the vote (which we do not expect) Santa Cruz and the other autonomy-seeking departments will almost certainly declare their autonomy. In many ways, the autonomy referenda are merely formalities, since the departments voted for autonomy in 2006. The central government will not respect either the referenda or any declarations of autonomy, but will be faced with a de facto division. To address this, the government will either have to seek a negotiated settlement or crack down to impose its authority.

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Direct GOB Interference in Referenda Unlikely
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14. (C) If the central government reacts rationally, it will not take drastic measures against Santa Cruz to try to prevent the referendum, thereby enabling the government to look restrained and relatively reasonable, while its social groups force the opposition into a bad position. Since the Morales government often seems less than rational, however, we suggest less-likely but still-possible scenarios of government interference in the autonomy referenda. The government could block the vote by ordering departmental electoral courts not to proceed with the ballots, or the government could arrest opposition leaders (including heads of the electoral courts) to block the vote. This action would require a coordinated effort on the part of the central government which would be difficult to achieve without information leaking. If the central government took such an overt action, however, the inevitable result would be violence. In fact, it is possible that the National Police would be reluctant to enforce any orders to this effect, since they have recently been striking against the government for higher pay, and since recent lynchings resulted in a number of national police officers brutally killed by mobs. In the less likely event of direct government interference, we predict that the Santa Cruz referendum would proceed in some manner, and that Santa Cruz radicals would take over central government buildings in the department (such as post offices, tax offices, and possibly police installments, such as happened in the violence in Sucre in 2007.)

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Viva Autonomy! Now What?
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15. (C) Although we expect the central government to reject the "illegal" autonomy referenda and push for its own referendum on the MAS draft constitution, the central government has little choice but to accept the results of the autonomy referenda. Despite the recent statements of high-level military officials regarding their duty to defend a united Bolivia, the central government is unlikely to send

in the military against the autonomous departments, particularly as long as the departments emphasize that they do not seek independence and do not wish to break the law. Santa Cruz leaders have told us they plan to scrupulously comply with the law, so as not to provide the central government any excuse for a crackdown. Meanwhile, the central government will likely be watching carefully for any action that they can believably call anti-democratic or illegal, giving them a reason to use the legal system against the opposition.

¶6. (C) After the initial euphoria of having achieved autonomy begins to fade, Santa Cruz and the other newly-autonomous departments will need to take steps to assert their autonomy. We anticipate that early in the process the departments will propose elections of departmental officials. The departments may also form departmental police forces, and departmental taxation boards. To justify the push for autonomy, the departmental governments may try to improve services for the general populace or focus improvements on local indigenous groups, so as to counter the idea of autonomy as a "white, oligarch" issue.

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Confrontations Loom
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¶7. (C) Any increase in taxes on department residents is likely to be hugely unpopular, although the departments might explore ways of raising money from non-locals (road tolls for out-of-department vehicles, for example.) Although departmental leaders tell us that they will not withhold any taxes from the central government (so as not to provoke a reaction by breaking the law,) at some point the departments will need money. Departments will likely try to negotiate with local industry (particularly hydrocarbons) to divert some of their taxes from the central government to departments: companies will understandably balk at being placed in the middle of this contentious issue. More radical groups in the departments could attempt to take gas installations or block pipelines in an attempt to force the gas companies to change their position, which would lead to inevitable confrontations with the central government.

¶8. (C) It is difficult to predict the central government's long-term plans, partially because we have no indication that the central government has long-term plans. Insiders repeatedly tell us that the central government, including President Evo Morales and his inner circle of advisors, are "ad libbing." As the economy worsens and food prices increase, the government's actions are likely to get increasingly desperate (such as Vice President Garcia Linera's warning in a meeting with the Ambassador that the free market economy for foodstuffs in Bolivia is coming to an end. Ref B.)

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Cochabamba Primed to Explode
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¶9. (C) Although sporadic violence in Santa Cruz is expected, the dominance of the opposition will likely keep the violence to a minimum. The situation is different in the department of Cochabamba, which is a mix of highland and lowland, MAS and opposition. Cochabamba has seen increasing violence in the past months, including the mob murder of three policemen, attacks on other police, and the current conflict at the Santa Maria tin mine, where a number of miners have been wounded and two killed by local community members who took control of the mine. The presence of President Evo Morales' strongest supporters, the cocaleros, also makes Cochabamba a likely location for widespread violence, since Evo can easily order these (often-armed) supporters to take the opposition-controlled capital of Cochabamba or to go east into the neighboring opposition department of Santa Cruz. In the geographic center of Bolivia and bordering on six other departments including La Paz and Santa Cruz, Cochabamba could be critical to the stability of the entire country.

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Autonomous Departments May Seek International Aid
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¶10. (C) Autonomous departments are also likely to turn to international donors (USAID, the Europeans, and Japanese) for assistance to make autonomy work. Any involvement of the USG in supporting the autonomous departments will be portrayed by the central government as interference in Bolivia's sovereignty and conspiracy against the government. We expect that current and past USG assistance in the autonomy-seeking departments will be portrayed by the central government as a conspiracy to break up the country.

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Unlikely Draconian Developments
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¶11. (C) Vice Minister of Defense Vargas mentioned to Emboffs the possibility of the creation of a tenth department (state), carving out the rich gas-producing southern half of Santa Cruz to become the "Chaco" department. This concept has been bandied before, and we do not view it as likely: the central government would be met with fierce resistance from Santa Cruz, which would view this as an outright attack.

¶12. (C) A possibility that we also feel is unlikely is a military coup. President Morales has been fairly successful in filling the upper levels of the military with officers sympathetic to the MAS. In addition, there is little public sympathy for a military coup, and any potential coup leader must be aware of the near-impossibility of ruling the country after an action against a generally popular president and a legitimately elected government. Finally, with the economy in trouble and society in increasing chaos, it is difficult to imagine that anyone would want to take over the mess that the MAS has made.

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Viva Evo, but "Evismo" is Dead
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¶13. (C) Former President Jaime Paz Zamora recently declared "Evismo" dead, an analysis that is becoming generally accepted. The question remains whether Evo will accept this and moderate his approach. Evo thrives on confrontation but has excellent survival instincts and has a history of making compromises when necessary. Evo's vision of Bolivia as a revolutionary, indigenous, statist country has been rejected by the majority of Bolivians: in fact, it is not something they ever wanted or voted for in the first place. Evo was largely voted into power based on his claim of indigenous empowerment and hatred for previous "corrupt" governments, most particularly that of Goni Sanchez de Lozada. Evo's recent moves toward a Venezuelan- and Cuban-inspired socialism have not been as popular as his original call for equality and his continuing importance as a symbol of indigenism and change.

¶14. (C) Even if economic difficulties and public outcry over the handling of autonomy cause changes in the central government, we expect turnover to be limited to Evo's circle of advisors and ministers: Evo will likely survive any upheaval. He still enjoys significant personal popularity (even government critics often blame Evo's advisors rather than Evo personally) and there is no other viable option on the national stage. To avoid further chaos, most of the opposition would probably prefer that Evo--though not Evo's policies--continue. No one is ready or able to step into the vacuum that would be left by Evo's departure. Considering Evo's much-repeated promises to leave the Palace only in a coffin, there seems to be little risk of this vacuum at the top in the near future. In the near future, however, we predict further rhetorical attacks on the USG, in the government's usual pattern of using the USG as a scapegoat and a distraction from internal problems, notwithstanding recent interest in our participation in a "Friends" group

(ref A.)

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